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Greenlining Coalition:

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Asian Business Association
Asian Enterprise
Black Business Association
California Coalition of Hispanic Organizations
California Hispanic Chambers of Commerce
California Journal for Filipino Americans
California Rural Legal Assistance
Chicano Federation, San Diego
Chinese for Affirmative Action
Council of Asian American Business Associations
Filipino - American Chamber of Commerce, Los Angeles
Filipino - American Political Association
First AME Church, Los Angeles
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Hmong American Political Association
Japan Pacific Resources Network
Latin Business Association
Latino Issues Forum
Mexican American Grocers Association
Mexican American Political Association
Minority Business Council, Orange County
National Federation of Filipino American Associations
New Bayview Committee
Oakland Citizens Committee for Urban Renewal (OCCUR)
Phoenix Urban League
San Francisco Black Chamber of Commerce
San Francisco Business & Professional Women, Inc.
Southeast Asian Community Center
TELACU
Vietnamese Community of Orange County, Inc.
West Angeles Church of God in Christ
West Coast Black Publishers Association

October 27, 1998

The Honorable William Kennard
Federal Communications Commission
1919 M Street, N.W., Suite 814
Washington, D.C. 20554

Public Hearings Urged:

**Need to Address AT&T/TCI Merger In Context of All Major Mergers
(CS Docket No. 98-178)**

Dear Chairman Kennard:

Greenlining Institute and Latino Issues Forum offer comments on the AT&T/TCI merger.¹ However, we believe that the scope of the Commentary is too narrow. This merger should be viewed in the context of other major mergers, including SBC/Ameritech and GTE/Bell Atlantic. It also should be viewed in the context of the failure of local competition and the increasing exclusion of eighty million minorities, three million minority-owned business, and sixty million low-income Americans² from the debate and the benefits of the telecommunications revolution.

1. Grassroots Regional Public Hearings

As a first step in moving this debate from sheltered-D.C. lobbyists to the public arena, we urge a minimum of six regional public hearings within the next sixty days.

¹ Greenlining Institute and Coalition consists of three dozen minority church, civil rights, consumers and small businesses, including the two largest African American churches and largest immigrant center in the West. It is a non-profit public policy and advocacy center that has litigated on behalf of low-income communities regarding telephone services for over two decades (since 1971). Latino Issues Forum is California's largest Hispanic think-tank and has been actively involved in telecommunications for over a decade (since 1987) and has a network of six thousand Hispanic organizations.

² Defined as 150 percent of poverty level.

Executive Staff:

John C. Gamboa, Executive Director
Robert L. Gnaizda, Policy Director
& General Counsel
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Haydee Diaz, Academy Director

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2. **Broad Perspective**

The AT&T/TCI proposed merger represents both dangers and potential regarding serving the broader public interest. To properly assess both, it is necessary to also consider the impact of pending and likely other mergers, including those that specifically affect local competition, such as SBC/Ameritech and GTE/Bell Atlantic.

3. **Universal Service**

Given that universal service for the underserved (minorities and low-income communities) is further from its goal since so-called competition began, a primary focus of the AT&T/TCI proceeding and the Greenlining-proposed regional public hearings must be on the impact of mega-mergers on achieving universal service. For example, in California, SBC's territory, telephone penetration for minorities is below that of five years ago, and is at less than 85 percent in many minority communities.

4. **Impact on Digital Divide**

Beyond basic telephone service, these proceedings should consider the impact of the AT&T/TCI merger and other mega-mergers on the growing digital divide between the "haves" and "have-nots," a divide that is largely racial and income-based.

5. **Impact on Small Business**

In many parts of the nation (e.g., California, Florida, New York and Texas) minority-owned businesses are the key to future economic growth. Yet they are excluded from the debate and often the last business groups whose needs are considered in telecommunications mergers.

6. **Investing in Communities**

Given the increasing absentee ownership created by mega-mergers, telecommunications strategies to invest in the communities are essential. Thus, the FCC should examine in the context of all major mergers:

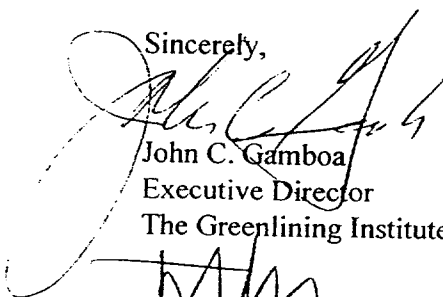
- a) marketing outreach to underserved communities;
- b) educational efforts directed at underserved communities;

- c) philanthropic investments in underserved communities as a percentage of pre-tax earnings and top five executive compensation packages;
- d) new technologies directed at minimizing the present racial digital divide;
- e) relationships of top executives to all of the communities served, not just the CEO headquarter community; i.e., impact of "absentee landlords" on geographically diverse communities; and
- f) diversity of top management, since most all Fortune 500 corporations believe that there is a correlation between diversity at the top, and profitability and effectiveness in serving diverse communities.

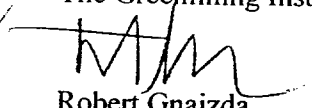
Conclusion

Greenlining Institute and Latino Issues Forum, as well as their member groups, such as the Asian, Black and Latino business associations, urge that all of the issues raised herein be considered, that regional public hearings be held within sixty days, that this proposed merger be considered in the context of other mega-mergers and that public comment be extended for at least sixty days to permit additional grass roots groups an opportunity to offer comments.

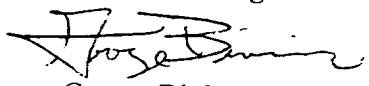
Sincerely,



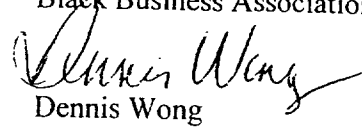
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The Greenlining Institute




George Bivins
Chairman
Black Business Association



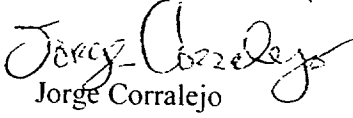
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Asian Business Association



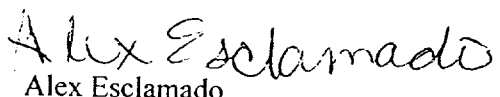
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